

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF FOREST HILLS DEVELOPERS)
SEWAGE TREATMENT PLANT FOR AN ADJUSTMENT) CASE NO. 94-264
OF RATES PURSUANT TO THE ALTERNATIVE RATE)
FILING PROCEDURE FOR SMALL UTILITIES)

O R D E R

The Commission has ordered a hearing in this matter for January 5, 1995. To ensure that all parties have adequate notice of the issues to be considered at that hearing, the Commission finds that an issues list should be published. The utility will be questioned on these issues, as well as those set forth in the Commission's Order of October 4, 1994, at the scheduled hearing.

IT IS HEREBY ORDERED that the issues list, appended hereto, is published and shall be served upon all parties of record.

Done at Frankfort, Kentucky, this 27th day of December, 1994.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 94-264 DATED 12/27/94

In addition to the issues identified in the Commission's Order of October 4, 1994, the following issues will be raised at the hearing to be held in Case No. 94-264:

1. Whether the Owner-Manager fee which Forest Hills Developers ("Forest Hills") requests is reasonable?

2. Whether the expenses of \$57,778 which Forest Hills paid to Hardin Sanitation Incorporated for services not included in its maintenance contract are reasonable?

3. Whether the transactions between Forest Hills and its sister companies for which Forest Hills incurred expenses during the test period are reasonable?

4. Whether the expenses which Forest Hills incurred to repair its treatment lagoon (including sludge removal) are reasonable?

5. Whether the expenses which Forest Hills incurred to repair its treatment lagoon (including sludge removal) are recurring expenses?

6. Whether the legal expenses which Forest Hills incurred during the test period are reasonable?

7. Whether the legal expenses which Forest Hills incurred during the test period in actions brought against it by various regulatory agencies are reasonable?

8. Whether expenses which Forest Hills incurred for the use of a mobile telephone during the test period are reasonable?

9. Whether rental expenses which Forest Hills incurred during the test period are reasonable?

10. Whether the amortization expenses associated with lagoon repair work are reasonable?

11. Whether 3 years is an appropriate period to amortize the expenses associated with the lagoon repair work which Forest Hills performed?

12. Whether the depreciation expense incurred during the test period is reasonable?

13. Whether, in the absence of complete financial and accounting records, adjustments for depreciation on utility plant in services are appropriate?

14. Whether the interest expense incurred by Forest Hills during the test period for unpaid bills owed to Hardin Sanitation Inc. is reasonable?

15. Whether the transportation expenses incurred by Forest Hills during the test period are reasonable?

16. Whether Forest Hills during the test period was charging rates other than those authorized in its filed rate schedules?

17. Whether a separate rate classification should be established for customers which are governmental entities?

18. Whether rates for all customers should be based on usage rather than a flat fee?

19. Whether Forest Hills was properly calculating and billing for its service during the test period?

20. Whether Forest Hills during the test period was providing free service to customers?

21. Whether, if free service were provided, the Commission authorized such service?

22. Whether, if free service were provided, what impact did its provision have on the utility's revenues?